Participant Guide –

AM340: Entering and Maintaining Assets

State of Kansas

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Course Overview

Course Objectives

Upon completion of the course, you will be able to:
- Understand assets and leases
- Enter and update assets
- Enter and update leases
- Integrate Asset Management with Purchasing, Accounts Payable, and Project Costing

Agenda

Today, we will cover the following topics:
- Defining Key Terms for Assets and Leases
- Understanding Asset and Lease Processes
- Adding an Asset
- Copying an Existing Asset
- Entering a Property Asset
- Reviewing and Updating Asset Information
- Adding Parent-Child Assets
- Printing Asset Information
- Understanding and Entering Capital and Operating Leases
- Entering a Lease Payment Schedule
- Updating Lease Information
- Understanding Purchasing, Accounts Payable, and Project Costing Integration
- Understanding the Transaction Loader Process
- Review Asset Information in the Transaction Loader Tables
- Processing Unitization and Consolidation

Participant Notes:

Lesson 1: Understanding Assets and Leases

Objectives

Upon completion of this lesson, you will be able to:
- Define basic asset and lease processing terms
- List two types of leases that can be entered into SMART and explain when to use each lease type
- Explain the end-to-end process for asset and lease entry and maintenance and describe how assets and leases fit into the end-to-end process for Asset Management
- Identify changes from your agency's existing asset and lease processes to asset and lease processing in SMART
- List roles involved in asset entry and maintenance and describe tasks performed by each role

Key Terms

- **Asset –** A tangible or intangible item (e.g., software) that is purchased or held by the state through a purchase, lease, donation, construction, grant, or sub grant. Assets are used in state operations, have an estimated life of one year or more, and are not consumed or expended when in use.
- **Capital Lease –** A lease that meets one or more of the following criteria under FASB Statement 13:
  - The lease term is greater than 75% of the property's estimated economic life

Participant Notes:

- o The lease contains an option to purchase the property for less than fair market value
- o Ownership of the property is transferred to the lessee at the end of the lease term
- o The present value of the lease payments exceeds 90% of the fair market value of the property
- o SMART provides an opportunity for these four criteria to be managed when a leased asset is created.

- **Consolidate** – The process of combining two or more receipt or voucher lines into a single asset
- **Lease Payment Schedule –** The timing, frequency, and amount of payments for a lease
- **Operating Lease –** A rental agreement that permits an entity to use an asset for a specified period of time, but does not meet the criteria set forth in FASB Statement No. 13 of a capital lease and is typically expensed and only tracked within the Asset Management system
- **Parent/Child Relationship –** A designation that connects two or more assets for the purpose of processing and reporting
- **Profile ID –** Profile ID's are templates that help reduce data entry when adding an asset. Each Asset Profile is configured with an Asset Class, an Asset Type, and an Asset Category. The Profile ID also stores depreciation information (e.g. useful life, depreciation method, etc.) for depreciable assets and the related Asset Book(s) in which asset information is stored. Since Profile ID's drive the depreciation of an asset for CAFR purposes, it is crucial that the correct Profile ID is used when creating an asset.

- **Unitize –** The process of dividing one receipt or voucher line into more than one asset

Topic 1: Key Concepts for Asset Management
- Most new assets are recorded in SMART via a purchase

Participant Notes:

- o Physical asset information, such as profile ID, tag number, and serial number are entered during the Purchasing process when an asset is not created using system integration
  - o Financial asset information is recorded during the Accounts Payable process
  - o Transactions are then loaded into Asset Management module to "create" the asset
- Assets are sometimes entered manually when an asset does not come to the agency through the purchasing process
- There are two roles involved in Entering and Maintaining Assets

Role	Description
Agency Asset Processor	Enters and updates an asset. Enters Capital Lease Asset and Operating Leases. View asset information including basic information, acquisition details, cost/book information, and depreciation information. Establish, view, and update Parent/Child relationships. Copy assets. Print assets. View and process information that originated in the AP/PO modules. Consolidate and unitize asset information that originated in the AP/PO modules. Review Transaction Loader Process. Run Transaction Loader Process.
Agency Asset Maintainer	Update location and custodian information. Add and update asset insurance, maintenance, warranties, and repairs.

Participant Notes:
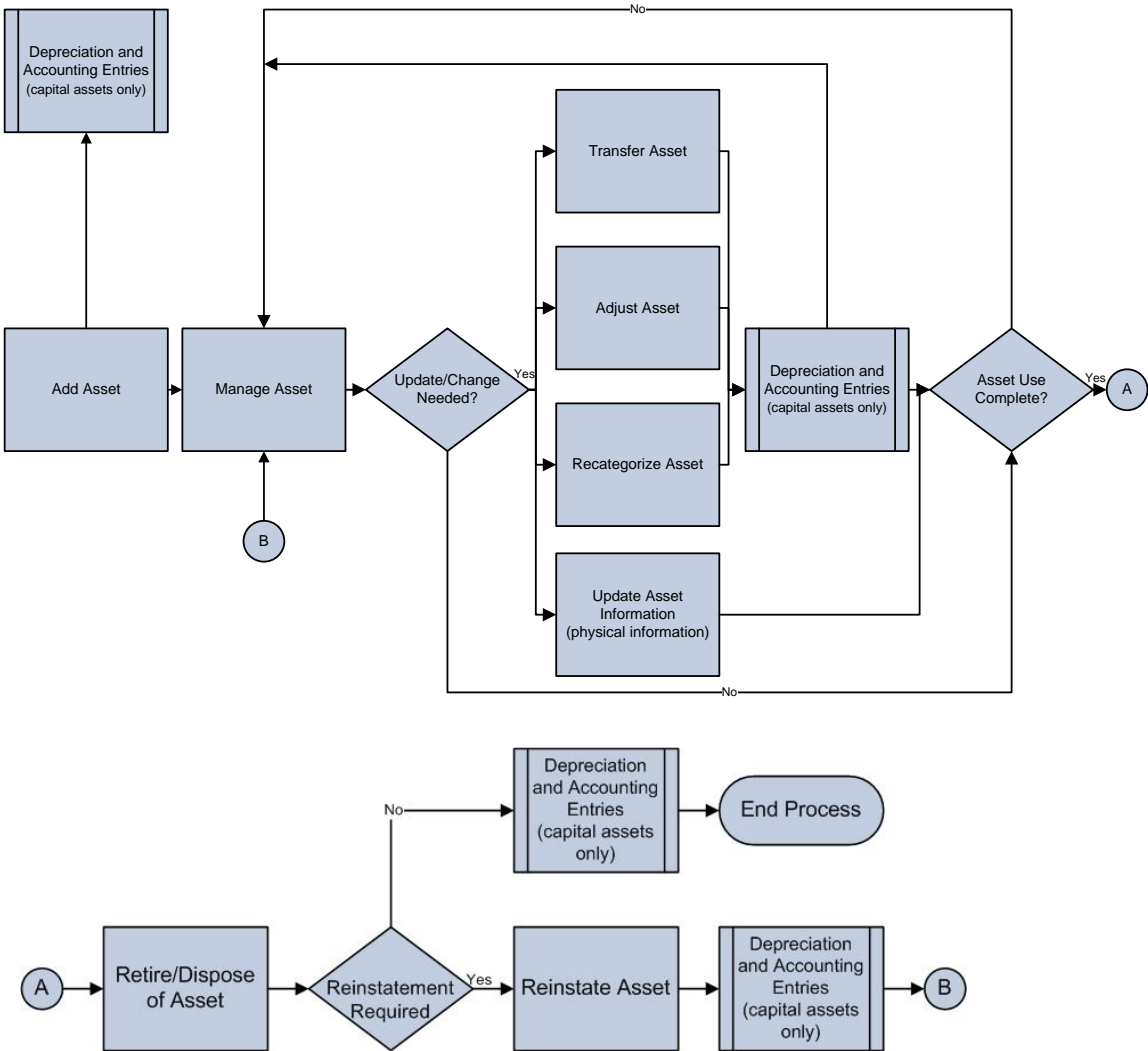
Topic 2: Understanding Asset and Lease Processes

Figure 1. Asset Management End-to-End Process

Participant Notes:

Lesson Review

In this lesson, you learned:
- Basic asset and lease processing terms
- The two types of leases that can be entered into SMART and when to use each lease type
- The end-to-end process for asset and lease entry and maintenance
- The roles involved in asset entry and maintenance and tasks performed by each role

Additional Resources

The following are additional resources that provide more detail about the topic we have covered:
- SMART Glossary:
  http://www.da.ks.gov/smart/training/coursematerials/WBT/glossary.html
- Asset Management Business Process Flows:
  http://www.test.daweb.gov.state.ks.us/smart/draft/training/CourseMaterials/WBT/resources.html

Participant Notes:

Lesson 2: Entering and Updating Assets

Objectives

Upon completion of this lesson, you will be able to:

- Enter an asset using **Express Add**, **Basic Add**, and copying an existing asset
- Enter a property asset
- Review and update information for an asset
- Create a parent-child relationship between at least two assets
- Search for an asset
- Print asset information from the **Printable View of an Asset** page

Topic 1: Adding an Asset Using Express Add

- Use Express Add to add assets using an asset profile for default book and depreciation information. This allows the asset to be capitalized automatically with most of the critical information being derived from the asset profile by default.
- After adding an asset in Express Add, navigate to Basic Add to enter the detailed physical information
    - **General Information page –** Use this page to update **Tag Number**, **Asset Status**, **Replacement Cost**, and **Condition Code** fields
    - **Operation/Maintenance page –** Use this page to update whether the asset is hazardous, whether the asset needs to be returned to the Federal Government, the asset's serial ID, and manufacturing information
    - **Location/Comments/Attributes page –** Use this page to update the location and/or area ID of the asset, to add additional comments, and to update physical and custom attributes of the asset such as color, height, and weight

Participant Notes:

o **Manufacture/License/Custodian page –** Use this page to record information from the manufacturer, update the licensing information, or update the custodian of the asset. Any updates made to manufacturer information on the **Manufacture/ License/Custodian** page defaults in to the **Operation/Maintenance** page and vice versa.

Page Name	Navigation
Cost/Asset Information	Asset Management>Asset Transactions>Owned Assets>Express Add>Cost/Asset Information

Figure 2. Cost/Asset Information Top of Page

Participant Notes:

Figure 3. Asset Additional Information Expanded

Fields	Description
Profile ID	The State of Kansas uses a profile ID for all of its assets. Based on the asset profile, SMART defaults financial and depreciation information to the asset.
Location	Indicates the physical location of the asset. Full address is stored for each location in SMART.
Tag Number	Use to assign a tag number to the asset
Transaction Date	Indicates the date the asset was obtained
Accounting Date	Indicates the date that SMART posts the transaction to the General Ledger
Asset Cost Information	Enter the cost of the asset in the Cost field. Select the agency-specific ChartField values to assign costs for acquisition of the asset. If multiple funding sources were used to acquire the asset, enter the additional cost and ChartField lines by adding another row to the Asset Cost Information group box.
Salvage Value	The SOK does NOT record salvage value for any assets

Participant Notes:

Fields	Description
Default Profile	Use the Default Profile button to copy the asset cost information to any other books associated to this profile and to populate the Category field. Default Profile is clicked after all asset cost rows have been added.
Asset Type	SMART defaults the asset type based upon the Asset Profile
Asset Subtype	Asset subtypes are pre-defined and associated to an asset type. Choose the subtype that best fits the asset.
Serial ID	Enter a serial ID, if applicable
Asset Class	SMART defaults the asset class based on the asset profile. The two valid values are "capitalized" and "non-capitalized".
Asset Status	Helps track the stage of the asset, such as "In Service", "Auction", "Budgeted", "Disposed", "Received", "Surplus", and "Inactive/Idle"
Acquisition Date	Indicates the date the asset was obtained
Acquisition Code	Defines how the asset was acquired. Some of the valid acquisition codes are "Constructed", "Donated", "Leased", "Purchased", and "Transferred".
Parent/Child	If the asset is a parent asset or a child asset, select the appropriate option. If it is a child asset, specify the associated parent asset ID.

Table 1. Cost/Asset Information Page Elements

Page Name	Navigation
General Information	Asset Management>Asset Transactions>Owned Assets>Basic Add>General Information

Participant Notes:

Figure 4. General Information Page

Fields	Description
Replacement Cost	Indicates how much it would cost to replace the asset
Last Update	Indicates the date that the replacement cost was verified

Table 2. General Information Additional Fields

Page Name	Navigation
Operation/Maintenance	Asset Management>Asset Transactions>Owned Assets>Basic Add>Operation/Maintenance

Participant Notes:

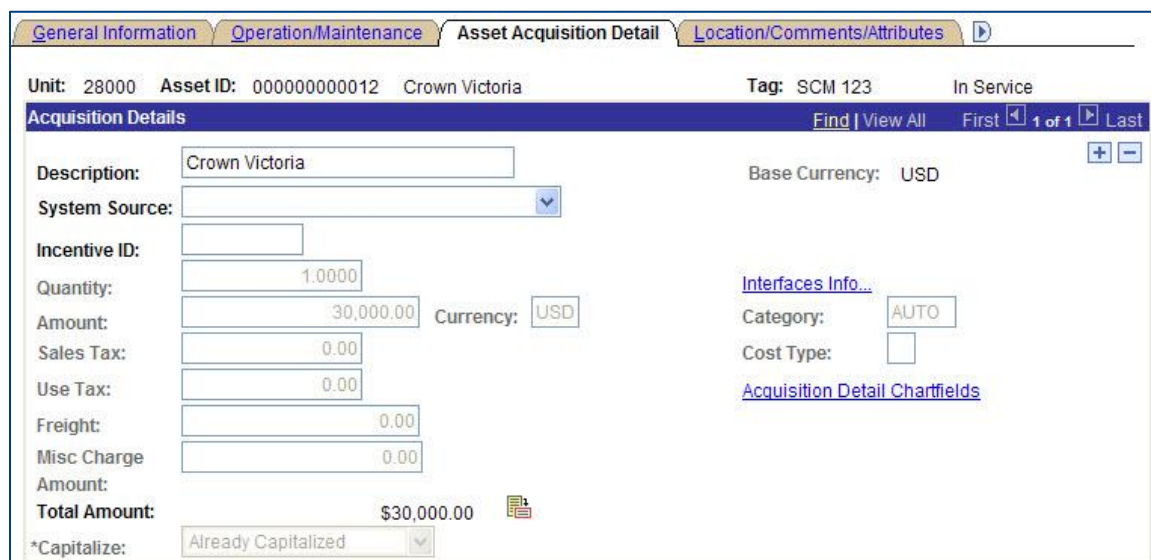*Figure 5. Operation/Maintenance Page*

Fields	Description
Mfg ID	Indicates the manufacturer of the asset
Model	Indicates the model number of the asset
Hazardous Asset	Use this checkbox to indicate if an asset is hazardous
Hazardous Code Info…	Use this hyperlink to access a page where you can assign the associated hazardous code that identifies the hazardous material(s) an asset contains
Special Disposal Restriction	Indicates if the asset must be returned to the Federal Government

Participant Notes:

Fields	Description
IP Address	This field is only available when the asset type is "hardware" and is used to indicate the IP address of the device where the asset is installed
CPU	This field is only available when the asset type is "hardware" and is used to indicate the number of CPUs that a hardware device has installed

Table 3. Operation/Maintenance Fields

Page Name	Navigation
Asset Acquisition Detail	Asset Management>Asset Transactions>Owned Assets>Basic Add>Asset Acquisition Detail

Figure 6. Asset Acquisition Detail Page

Participant Notes:

Acquisition Detail Chartfields

Department:	2800000000		Highway Patrol
Fund Code:	6148		Operations
Budget Unit:	0400		Operations
Program Code:	70060		Fleet Operations
Project:			
Service Location:			
Agency Use:			
ChartField 2:			

Figure 7. Acquisition Detail Chartfields Page

Page Name	Description
Asset Acquisition Detail	If the asset is created through the Purchasing/Payables integration, the fields on this page are populated through the Transaction Loader Process. If you entered the asset using Express Add, these fields are populated based on what you entered on the **Asset/Cost Information** page.

Table 4. Asset Acquisition Detail Information

Page Name	Navigation
Location/Comments/Attributes	Asset Management>Asset Transactions>Owned Assets>Basic Add>Location/Comments/Attributes

Participant Notes:

Figure 8. Location/Comments/Attributes Top of Page

Participant Notes:

Figure 9. Comments Expanded

Figure 10. Physical and Custom Attributes Expanded

Fields	Description
Address Information	The full address defaults based on the location code entered on the Express Add component

Participant Notes:

Fields	Description
Area ID	Select an area ID to provide a more detailed level that further identifies an asset's location, such are room number or floor
Comments	Enter miscellaneous comments about the asset and assign the date, time, and name of the person who entered the comments
Physical and Custom Attributes	Enter or modify physical details such as color, height, width, length, weight, capacity, and power rating

Table 5. Location/Comments/Attributes Fields

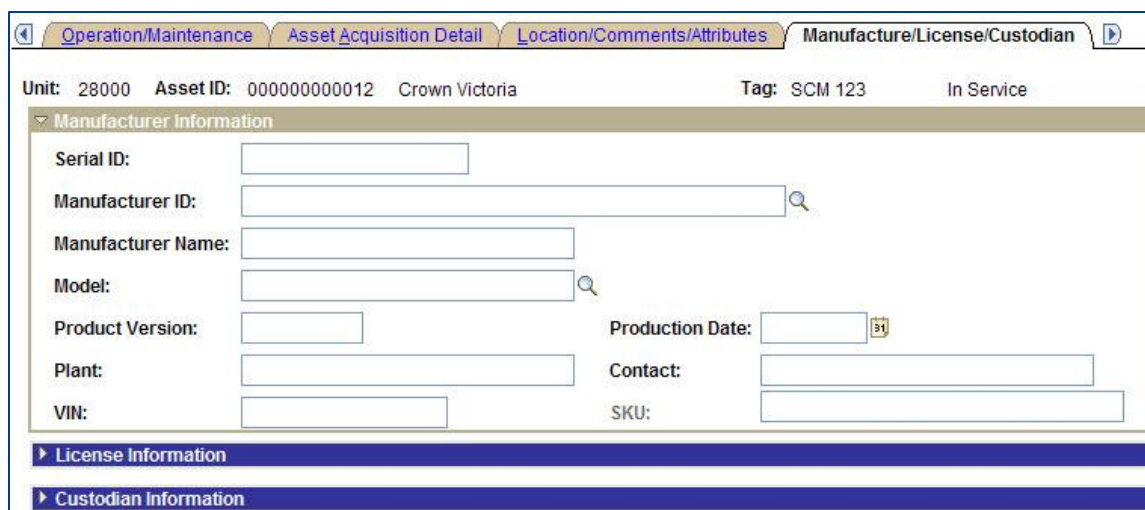| Page Name	Navigation
Manufacturer/License/Custodian	Asset Management>Asset Transactions>Owned Assets>Basic Add>Manufacturer/License/Custodian

Figure 11. Manufacturer/License/Custodian Top of Page

Participant Notes:

Figure 12. License Information Expanded

Figure 13. Custodian Information Expanded

Participant Notes:

Fields	Description
Agency ID	Use this field to record the entity that governs licensing for the asset
Reg #	Use this field to record the asset's license number
EmplID	Select the Employee ID of the State employee who is custodian of the asset
Custodian	The name of the employee defaults based on the selected Employee ID
ChartFields	You can track the use of the asset by ChartField values. These fields are informational only.

Table 6. Manufacturer/License/Custodian Fields

Walkthrough/Activity

We will now complete Activity 1: Adding an Asset Using Express Add in your Activity Guide.

Walkthrough/Activity

We will now complete Activity 2: Adding an Asset Using Express/Basic Add in your Activity Guide.

Topic 2: Copying an Existing Asset

- Copying an asset saves time if the existing asset's financial and physical information is similar to the asset that you want to create. After the copy is complete, you only need to change the information that is different between the existing asset and the new asset.
- After you copy an asset, SMART assigns a different asset ID to the new asset automatically

Participant Notes:

- SMART automatically copies the basic asset information, book, cost, custodian, and location. Use the Asset Copy options to choose whether to copy:
  - Acquisition information
  - Attributes
  - Insurance information
  - Comments
  - Lease information
  - License/registration information
  - Maintenance information
  - Noncapitalized costs
  - Warranty information
- You can copy child assets. You cannot copy parent assets.

Page Name	Navigation
Create Asset Copies	Asset Management>Asset Transactions>Owned Assets>Copy Existing Asset

Figure 14. Create Asset Copies page

Participant Notes:

Walkthrough/Activity

We will now complete Activity 3: Copying an Existing Asset in your Activity Guide.

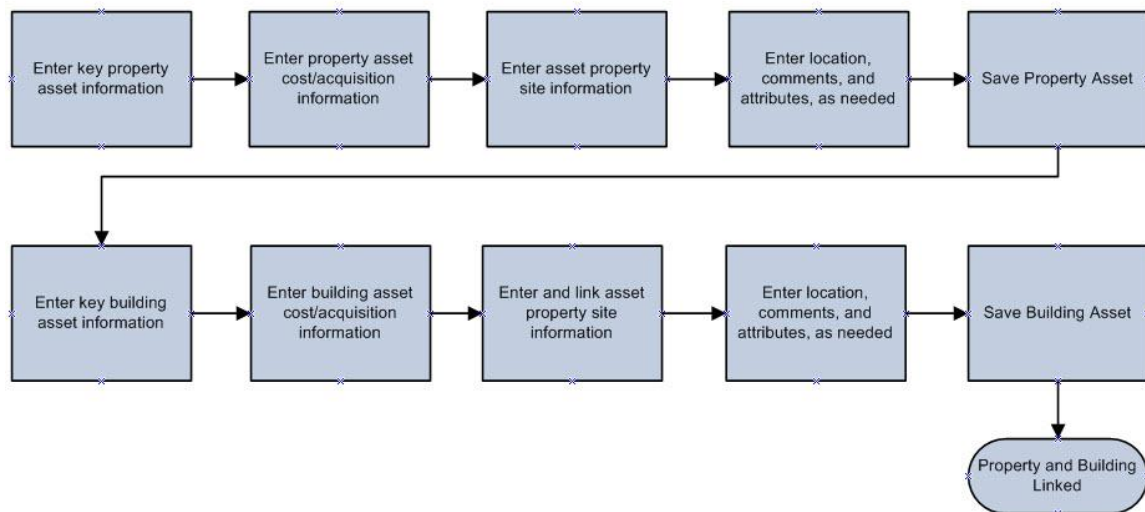### Topic 3: Entering a Property Asset

Figure 15. Entering Property Assets Process

- Entering a property asset follows the same steps as entering a non-property asset except that when you select an Asset Profile it will default in an Asset type of property. You cannot choose the asset type. SMART displays an additional tab, Asset Property.
- When you enter a property asset, you have the ability to link a building to a site
- SMART Guidelines for Entering a Property Asset

Participant Notes:

- o To create relationships between land, buildings, land improvements, and building improvements the following procedures are be used.
- o Land records are defined as Asset Type = Property and designated as a Parent asset. On the Asset Property tab, Property Class of Site is selected. SMART assigns a Site ID.
- o Building records are defined as Asset Type = Property and designated as a Parent asset. On the Asset Property tab, Property Class of Building is selected. SMART assigns a Building ID. SMART requires that the Building be assigned to a Site. Assign the building to the correct Site ID.
- o Land Improvement is defined as Asset Type = Facility and designated as a Child asset. The appropriate Land record shall be selected as the Land Improvement record's parent
- o Building Improvement records are defined as Asset Type = Facility and designated as a Child asset. The appropriate Building record shall be selected as the Building Improvement record's parent

Page Name	Navigation
Asset Property	Asset Management>Asset Transactions>Owned Assets>Basic Add>Asset Property

Participant Notes:

Figure 16. Asset Property Page

Fields	Description
Property ID	SMART displays the property asset ID after you save. SMART's numbering schema for Property ID is incremental and shared across all business units.
Property Class	SMART delivers the following hierarchy of property classes: Site, Building, Floor, Area, Space
Property Name and Description	When Express Add is used, values are not populated. It is recommended that the following smart coding be used for this field: "agencynumber.PropertyName(Description)" example – 173.PropertyName/173.PropertyDescription

Participant Notes:

Fields	Description
Hierarchy section	When the asset class is "site", these fields are unavailable since "site" is the highest level of the hierarchy. For asset class of "building", "floor", or "area", enter the corresponding ID for the Site ID and Building ID. The last level of the hierarchy is "space" which has the same ID as the Property ID and so is not displayed.
Attributes section	Enter information about the total area and occupancy of the asset
Legal Description	Use this field to record deed information for the property. Note: This section is only available for sites and buildings.

Table 7. Asset Property Fields

 Walkthrough/Activity

We will now complete a walkthrough using a UPK simulation: Adding Property Assets.

 Walkthrough/Activity

We will now complete Activity 4: Adding Property Assets in your Activity Guide.

Topic 4: Reviewing and Updating Asset Information

- Asset Search Utility lets users quickly and easily search for assets using a variety of asset information. After performing your search, select the asset you wish to update, then use the "Drill Down To:" menu to select the component:
    - Accounting entries
    - Basic asset information
    - Cost history

Participant Notes:

- o Component hierarchy
- o Depreciation
- When updating an asset with changed or additional information, use the Asset Search Utility to look up the asset and "GO!" to Basic Add to complete the update or simply navigate to Basic Add using the menu navigation

Page Name	Navigation
Asset Search Utility	Asset Management>Search for an Asset

Figure 17. Search for an Asset Page

Participant Notes:

Figure 18. Chartfield Search Criteria Expanded

Figure 19. Additional Search Criteria Expanded

Participant Notes:

Fields	Description
Asset Search Criteria section	Provides asset-related search fields to locate the assets that you wish to review. Enter criteria in the selected fields to limit your search results. Entering more search criteria refines your search results.
Chartfield Search Criteria hyperlink	Allows you to enter specific ChartFields or a combination of ChartFields as search criteria
Additional Search Criteria hyperlink	Provides the ability to search by Asset Structure, Custodian Information, and Manufacturer Information
Acquisition Details section	Provides the ability to locate the assets that you wish to review by entering information related to the purchase order, receipt, voucher, or project ID associated to the acquisition
Retrieve section	Use the checkboxes to indicate what information should be displayed in the search results

Table 8. Asset Search Utility Fields

Walkthrough/Activity

We will now complete a walkthrough using a UPK simulation: Reviewing and Updating Asset Information.

Participant Notes:
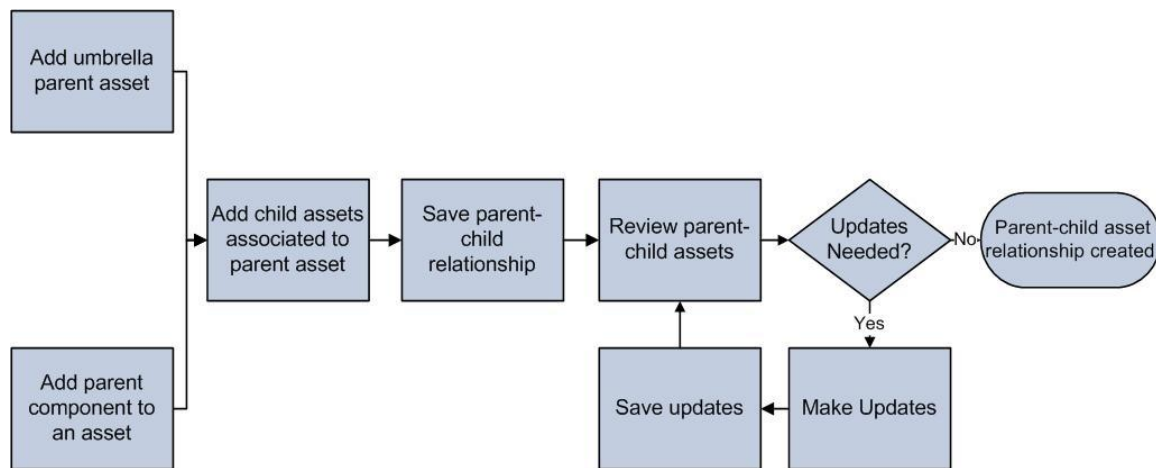
Topic 5: Adding Parent-Child Assets

Figure 20. Creating Parent-Child Asset Relationship Process

- Parent-child assets are assets that are grouped together for ease of processing and reporting
- Create a Reporting Umbrella:
  - o Create a parent asset that is not a financial asset but rather a conceptual asset, or umbrella asset, that ties together various asset components. In this type of parent-child relationship, each child asset has its own cost basis, depreciation information, and physical tracking information.
  - o The parent asset does not have any directly associated cost or depreciation since it exists in name only
  - o The Asset Parent page is used to create an umbrella parent by assigning a parent ID and description. You then use the parent ID to group the other component(s), which you designate as child assets, together.
  - o The information that you enter on the Asset Parent page is for reporting only. While you can view the components using the Create Parent or Review Parent-Child pages, you cannot perform any financial transactions within these pages.

Participant Notes:

- Designate one component at the parent asset:
  - o Designate one of the asset's components as the parent when you add the asset. You then use the parent's asset ID to group the other component(s), which you designate as child assets, together. Each child asset has its own cost basis, depreciation information, and physical tracking information.

Page Name	Navigation
Asset Parent	Asset Management>Asset Transactions>Parent-Child Relationship>Create Parent

Figure 21. Asset Parent Page

Participant Notes:

Fields	Description
Parent ID	SMART does not generate the parent ID. Therefore, you must enter a parent ID to describe the assets that the umbrella parent covers.
Child Assets	After you add child assets, you can use this link to view a list of child assets associated to this parent
Comments	Use this field to provide additional details about the reporting umbrella

Table 9. Asset Parent Fields

Walkthrough/Activity

We will now complete a walkthrough using a UPK simulation: Designating One Component as Parent Asset.

Walkthrough/Activity

We will now complete a walkthrough using a UPK simulation: Adding Parent-Child Assets by Creating a Reporting Umbrella.

Walkthrough/Activity

We will now complete Activity 5: Adding Parent-Child Assets in your Activity Guide.

Participant Notes:

Topic 6: Printing Asset Information

- After adding an asset, you may need a printable view of the asset details. In SMART Asset Management, you can generate a printed copy of the asset basic information, default book, depreciation attributes, and asset cost information for the default book.

Page Name	Navigation
Print an Asset	Asset Management>Print an Asset

Participant Notes:

Printable view of Asset

Unit: 17300 Asset ID: 000000000012 Forklift Status: In Service

Tag Number:	DOA125A	
Asset Class:	CAPITAL	Capitalized Asset
Profile ID:	540800	SHOP AND PLANT MAINT EQUIPMENT
Location:	KTEDC	Scott Building
Area ID:	03-307	Innov, Imprvmt/Career,Tech Edu
Parent ID:	000000000012	
Group Asset Flag:	None	Asset is Available

☑ Taggable Asset
☑ Capitalized Asset
☐ Composite Asset
☐ Replacement Asset
☐ This Asset is Offsite
☑ New Asset
☐ Clustered Asset
☐ Hazardous Asset

Financing Code:

Acquisition Code:	Purchased		Acquisition Date:	01/07/2010
Replacement Cost:	10000.00		Last Update:	01/07/2010
Index Name:			Old Asset ID:	

SubIndex Name:

CAP #:			Lease Asset ID:	
Contact:	Miller,Ben		Phone #:	785/291-1700
Manufacturer:	CATERPILLER		Model:	Model BG 2009
Contact:			Product Version:	
Serial ID:	CAT012345			
Custodian:	Smart,Barry G		EmplID:	00050039163
R and D Start Date:		☐ R&D Plant	☐ Use NBV for R and D	
Collateral Asset:			JV BUS:	
Document:			FERC Code:	

Figure 22. Printable view of Asset Top of Page

Participant Notes:

Figure 23. Printable view of Asset Bottom of Page

Walkthrough/Activity

We will now complete a walkthrough using a UPK simulation: Printing Asset Information.

Lesson Review

In this lesson, you learned how to:
- Enter an asset using Express Add
- Copy an existing asset
- Enter a property asset
- Review and update information for an asset

Participant Notes:

- Create a parent-child relationship between at least two assets
- Print asset information from the Printable View of an Asset page

Walkthrough/Activity

We will now complete Activity 6: Entering and Maintaining Assets in your Activity Guide.

Additional Resources

The following are additional resources that provide more detail about the topic we have covered:

- SMART Glossary:
  http://www.da.ks.gov/smart/training/coursematerials/WBT/glossary.html
- Asset Management Business Process Flows:

Lesson 3: Entering and Updating Leases

Objectives

Upon completion of this lesson, you will be able to:

- Enter a capital lease
- Enter an operating lease
- Enter a lease payment schedule
- Update lease information

Participant Notes:

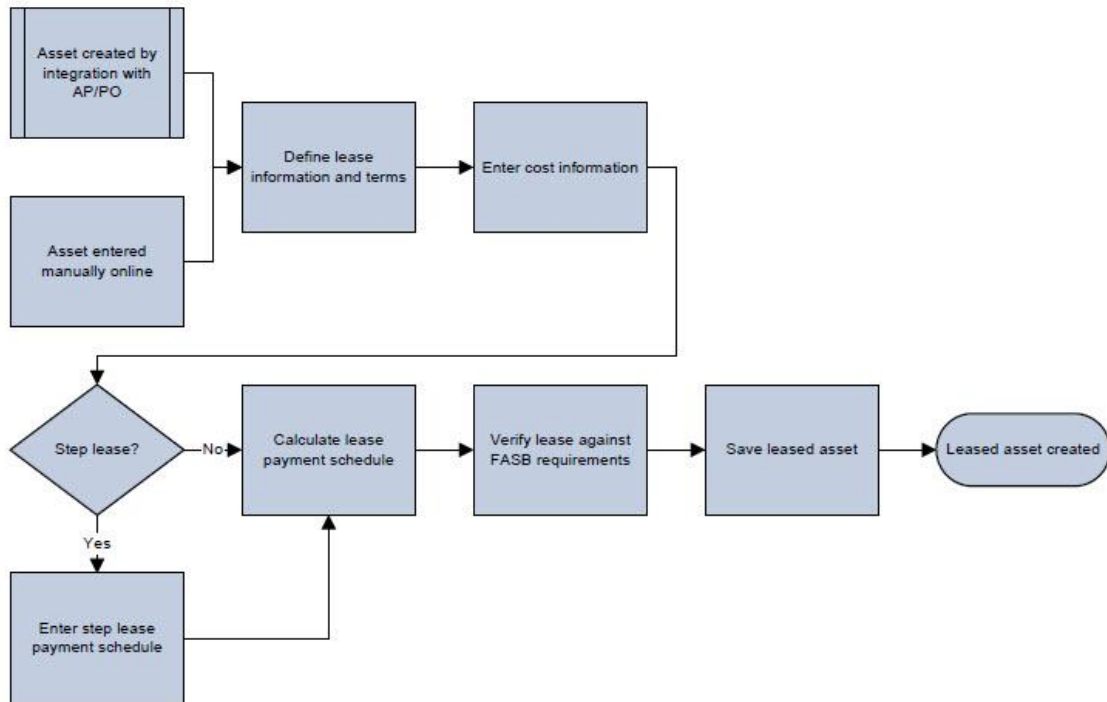## Topic 1: Understanding Capital and Operating Leases

Figure 24. Creating a Lease Process

- **Lease Payment Schedule –** Before adding leased assets to your system, at least one payment schedule must exist. Asset Management provides four predefined payment schedules for the SMART Set ID:
  - o **Annual Payment Schedule –** One payment per year
  - o **General Payment Schedule –** 12 payments per year
  - o **Quarterly Payment Schedule –** Four payments per year
  - o **Semi-Annual Payment Schedule –** 2 payments per year

Participant Notes:

Topic 2: Entering a Capital Lease

- A capital lease is treated as a financial asset and has a specific lease term and payment amount associated with it. Capital leases are reflected on the Balance Sheet and are periodically depreciated. SMART Asset Management allows you to enter physical and financial information about the lease and manage this information accordingly.

Page Name	Navigation
Definition	Asset Management>Asset Transactions>Leased Assets>Express Add>Definition

Figure 25. Definition Top of Page

Participant Notes:

Figure 26. Definition Bottom of Page

Fields	Description
Profile ID	The State of Kansas uses a profile ID for capital leases. A profile ID is not used for Operating Leases.
Vendor ID	Select the vendor ID of the vendor to whom you make lease payments
Acceptance Date	Enter the date on which the lease was accepted (signed and returned to the lessor). Interim rent begins on the date you specify in this field.
Receipt Date	Use to record the date the asset was received
Lease End Date	Use to record the date on which the lease expires
Lease Term	Use to record the number of periods, represented by months, for the lease
Estimated Life	Indicates the number of periods during which the capital asset provides service
Interest Rate (%)	Use to record the implicit rate received by the lessor for leasing the asset

Participant Notes:

Fields	Description
Borrowing Rate (%)	Use to record the interest rate that you would have incurred at the lease's inception if you borrowed the funds to purchase the asset
Payment Schedule ID	Use to record the pre-defined payment schedule that SMART uses to calculate payment. Capital leased assets must contain a payment schedule ID.
Fair Market Value	If entered, the system uses this value to verify the lease type. The value entered here automatically populates the Fair Market Value table.
BPO	Select this option if the lease includes a bargain purchase option. If selected, SMART provides the option to enter the bargain purchase amount that allows them to obtain title to the leased property.
Transfer Ownership end lease	Check if there is an ownership transfer of the asset at the end of the lease period.
Step Lease	Turn on the step lease checkbox if the lease payments are on a step schedule. A step lease is a lease that consists of variable payment amounts over the term of the lease. Not all leases are step leases. If a lease is not a step lease, enter a minimum rental payment or complete the cost information on the Cost page. Otherwise, the system cannot calculate the lease payment schedule.
Interim Rent (Monthly)	Indicates the amount of rent you pay in the period between the acceptance date and the commencement date of the lease

Participant Notes:

Fields	Description
Lease Payment Type	• **Advanced –** An asset is leased with the first payment due before the lease begins. For advance payments, the interest expense is not calculated. • **Arrears –** An asset is leased with the payment due at the end of the period. This is the default value.
Lease Type	Indicate whether the lease is capital or operating. Use the verify button to check your selection against FASB Statement No. 13.
Minimum Lease Payments (MLP)	Automatically calculated by SMART
Present Value Lease Payments	Automatically calculated by SMART
Capitalized Lease Amount	Automatically calculated by SMART

Table 10. Definition Fields

Page Name	Navigation
Cost	Asset Management>Asset Transactions>Leased Assets>Express Add>Cost
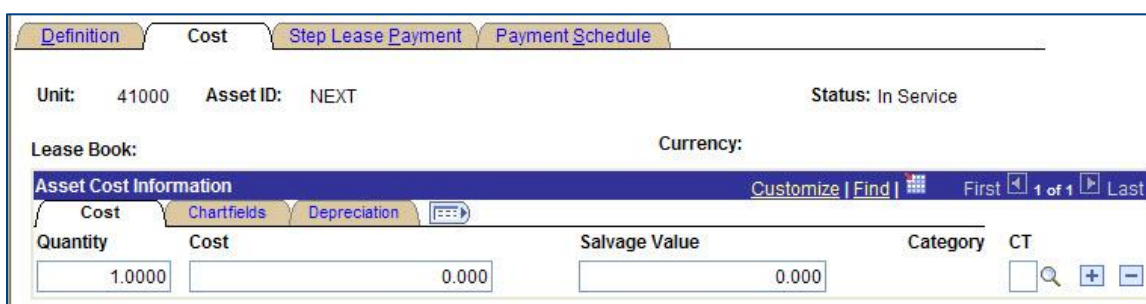
Figure 27. Asset Cost Information - Cost Tab

Participant Notes:

Figure 28. Asset Cost Information - Chartfields Tab

Figure 29. Asset Cost Information - Depreciation Tab

Fields	Description
Quantity	Indicates the number of items leased
Cost	Indicates the capitalized lease amount. For a step lease, this is the present value of the step lease payments and arecalculated by SMART.

Table 11. Cost Fields

Page Name	Navigation
Step Lease Payment	Asset Management>Asset Transactions>Leased Assets>Express Add>Step Lease Payment

Participant Notes:

Figure 26. Step Lease Payment Page

Fields	Description
Line Number	Enter as many lines as needed to record the step payment schedule
Lease Term	Indicates the number of periods for this line of the step lease
Payment Frequency	Indicates the interval at which the lease terms are paid

Table 12. Step Lease Payment Fields

Page Name	Navigation
Payment Schedule	Asset Management>Asset Transactions>Leased Assets>Express Add>Payment Schedule

Participant Notes:

Figure 31. Payment Schedule Page

Fields	Description
Payment Schedule	When you click the Calculate button on the Definition page, SMART calculates the lease payments and payment due dates.

Table 13. Payment Schedule Fields

Walkthrough/Activity

We will now complete a walkthrough using a UPK simulation: Adding Capital Leases.

Participant Notes:

Walkthrough/Activity

We will now complete Activity 7: Entering a Capital Lease

Topic 3: Entering an Operating Lease

- An operating lease is a rental agreement permitting an entity to use an asset for a specified period of time but does not meet the criteria set forth in FASB Statement No. 13 for a capital lease. An operating lease is typically expensed and only tracked within the Asset Management system. Operating leases may also be retired or reinstated as non-financial assets.

Page Name	Navigation
Operating Chartfields	Asset Management>Asset Transactions>Leased Assets>Express Add>Operating Chartfields

Figure 32. Operating Chartfields Page

Fields	Description
Asset Category	Since a Profile ID is not used for an operating lease, Asset Category does not default. Although operating leases are not true assets, choose an Asset Category to classify the lease.

Participant Notes:

Fields	Description
Operating Chartfields	SMART only displays the Cost page for capital leases. For operating leases, the Operating Chartfields page displays instead.

Table 14. Operating Chartfields Fields

Walkthrough/Activity

We will now complete a walkthrough using a UPK simulation: Adding Operating Leases.

Walkthrough/Activity

We will now complete Activity 8: Entering Operating Leases in your Activity Guide.

Topic 4: Updating Lease Information

- Update lease information if the terms or contacts change. You can also update interest rates or payment schedules that were renegotiated with the vendor.
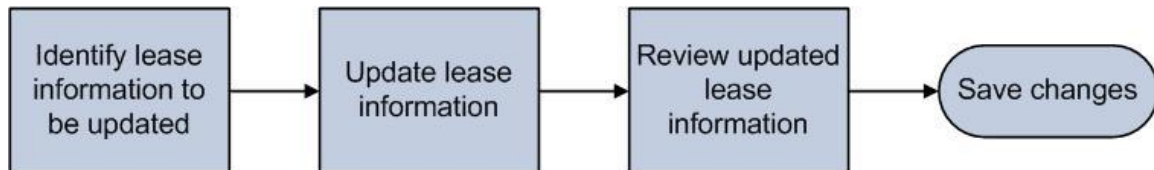

Figure 33. Updating Leases Process

Participant Notes:

Walkthrough/Activity

We will now complete Activity 9: Updating Lease Information in your Activity Guide.

Lesson Review

In this lesson, you learned how to:
- Enter capital and operating leases
- Enter a lease payment schedule
- Update lease information

Additional Resources

The following are additional resources that provide more detail about the topic we have covered:
- SMART Glossary:
  http://www.da.ks.gov/smart/training/coursematerials/WBT/glossary.html
- Asset Management Business Process Flows:
  http://www.test.daweb.gov.state.ks.us/smart/draft/training/CourseMaterials/WBT/resources.html

Participant Notes:

Lesson 4: Integrating Purchasing, Accounts Payable, and Project Costing with Asset Management

Objectives

Upon completion of this lesson, you will be able to:
- Explain the process of integrating Purchasing and Accounts Payable with Asset Management
- Explain the process of integrating Project Costing with Asset Management
- Review asset information sent from Purchasing and Accounts Payable to Asset Management
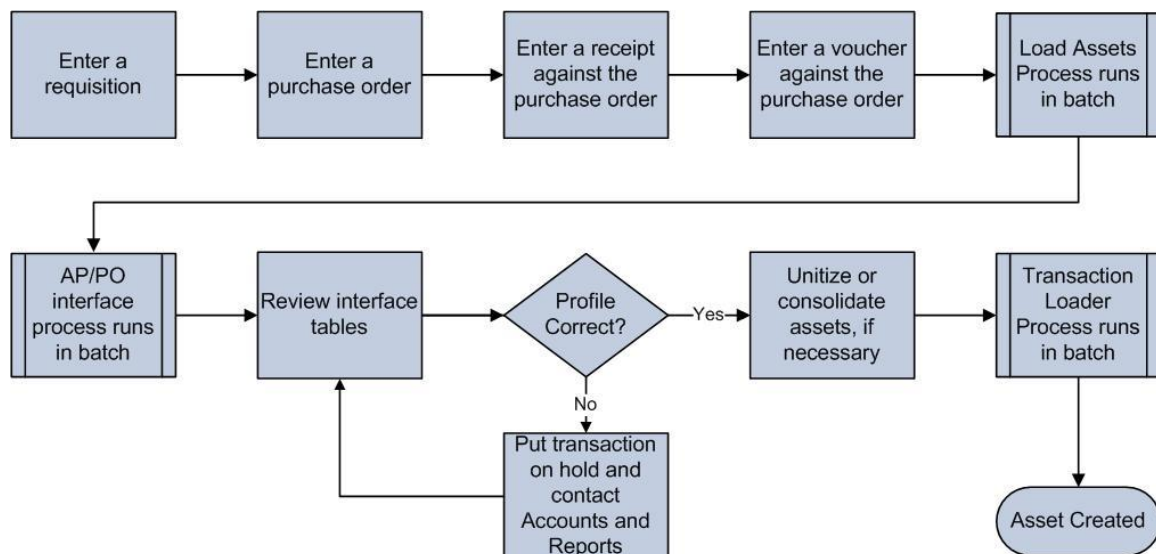
Topic 1: Understanding Purchasing/Accounts Payable Integration

Figure 34. Creating an Asset from AP/PO

Participant Notes:

- The requisition should include the AM business unit and profile ID. This information then moves to the purchase order during the auto source process. If asset fields are not entered on the requisition, the buyer has the option of adding the information to the purchase order before it is dispatched.
- When the merchandise is received, the receiver enters the tag number, location code and serial number, provided that the item was flagged as an asset in either the requisition or purchase order. The receiver will not be able to get to the asset status page if the information was not added in prior process. Best practice is to add tag, location code and serial number at time of receipt.
- Receiver performs serialization to create individual assets from a multi-item purchase and is comparable to unitization. Best practice is to create individual assets using serialization process in the Purchasing module.
- Requisitions also include ChartField information, which are the asset acquisition financial details. The ChartField values move through the process to purchase order, receipts, and finally, vouchers. The ChartField information can be edited at any step in the process until the voucher is posted.
- Once the voucher is posted for an asset, the voucher information also loads into the Transaction Loader Table
- The Asset Processor then has a chance to review the physical and financial information before the process is run that sends the data to Asset Management

Participant Notes:

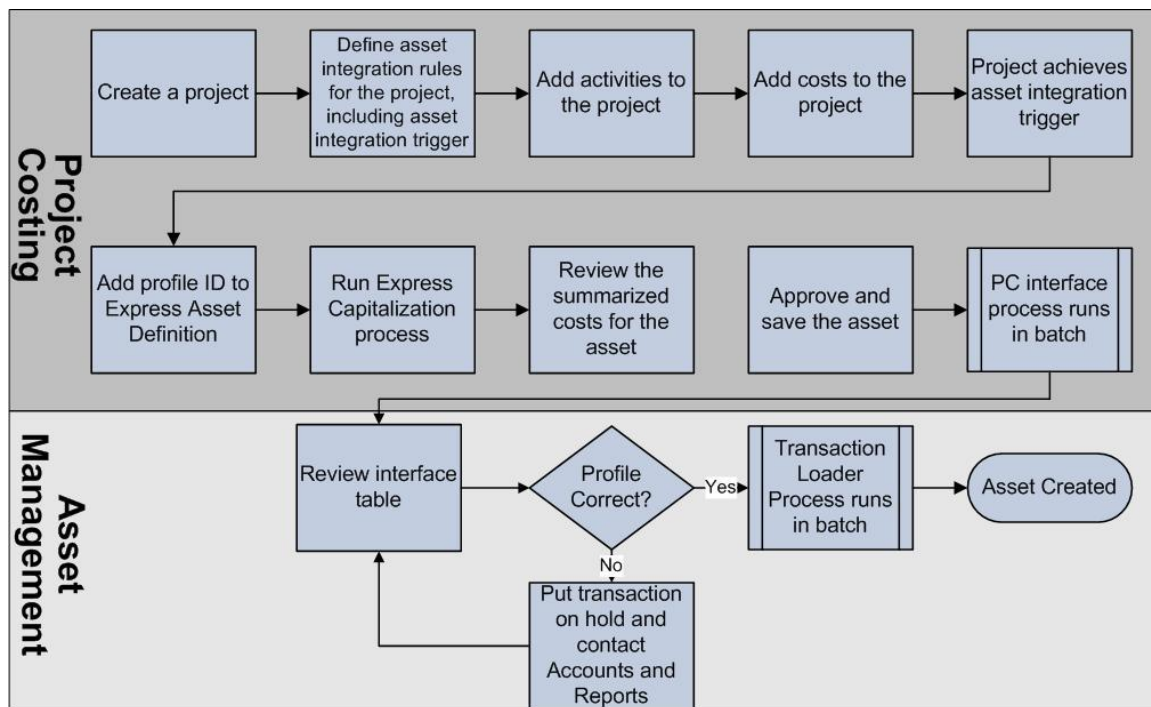## Topic 2: Understanding the Project Costing Integration

Figure 35. Creating an Asset From PC

- Assets can also be created from integration with Project Costing
- Project Costing supports asset creation, capitalization, adjustments and retirement
- A project that builds an asset takes individual components, such as building materials and fixtures, that do not meet the threshold of a capital asset and creates a whole that does meet the threshold
- The project should include the asset business unit and profile ID. Recall that the profile ID defines the method and useful life depreciation calculation rules.
- Need to distinguish between purchasing an asset (PO/AP) and building an asset (PC). If purchasing an asset, complete the Asset Management fields on the

Participant Notes:

requisition or purchase order. If building an asset, associate the costs to the project by using the project ChartFields on the requisition or purchase order.

- **Express Capitalization** – Automates the capitalization process by setting up capitalization rules, including a trigger (for example, close an activity) to indicate when to run capitalization. SMART performs the unitization process when the capitalization trigger is met.

Topic 3: Reviewing Asset Information in the Transaction Loader Tables

- Agencies can review asset physical information for errors
- When loaded the Load Status defaults to "Pending". Review pending for errors.
- If the profile is incorrect, change the Load Status to "On Hold" and contact the Division of Accounts and Reports to fix the profile before the asset loads.
- Once the profile has been corrected, Run the Loader Process
- Physical information not related to the profile, such as description, location, and custodian, can be updated once the asset has loaded using Basic Add

Page Name	Navigation
Physical Transactions A	Asset Management>Send/Receive Information>Approve Physical Information>Review-A

Participant Notes:

Figure 36. Physical Transactions A Page

Participant Notes:

Fields	Description
Load Status	Defaults to "Pending" when loaded from Accounts Payable and Purchasing. Set to "On Hold" if the asset profile is incorrect.

Table 15. Physical Transactions A Fields

Page Name	Navigation
Approve Financial Information	Asset Management>Send/Receive Information>Approve Financial Information>Review

Participant Notes:

Figure 37. Financial Information Review Page

Participant Notes:

Walkthrough/Activity

We will now complete Activity 10: Reviewing and Running Asset Information Loader

Topic 4: Processing Unitization

- **Unitize –** To divide one receipt or voucher line into more than one asset
  - During the Purchasing process, the Receiver can serialize a receiving line with multiple assets and add tag numbers and serial numbers for each. This is equivalent to unitizing the asset after it has loaded to the transaction loader tables. Serialization is the preferred method.
  - Information from the AP/PO process defaults for each unit. The Asset Processor then adds the tag number and serial number for each.
  - Process unitizations before running the Transaction Loader process, which creates assets in Asset Management

Page Name	Navigation
FROM Asset	Asset Management>Send/Receive Information>Load Transactions>Unitize Assets>FROM Asset

Participant Notes:

Figure 38. FROM Asset Page

Figure 39. Proportional Unitization Defaults (EZ Unitize...)

Participant Notes:

Fields	Description
Quantity	Enter the number of units to create from this transaction line
Profile ID	Select an Asset Profile for each unit
Description	Enter a description for each unit

Table 16. FROM Asset Fields

Page Name	Navigation
TO Assets	Asset Management>Send/Receive Information>Load Transactions>Unitize Assets>TO Assets

Figure 40. To Assets Top of Page

Participant Notes:

Figure 41. TO Assets Bottom of Page

Walkthrough/Activity

We will now complete Activity 11 - 12: Processing Unitization in your Activity Guide.
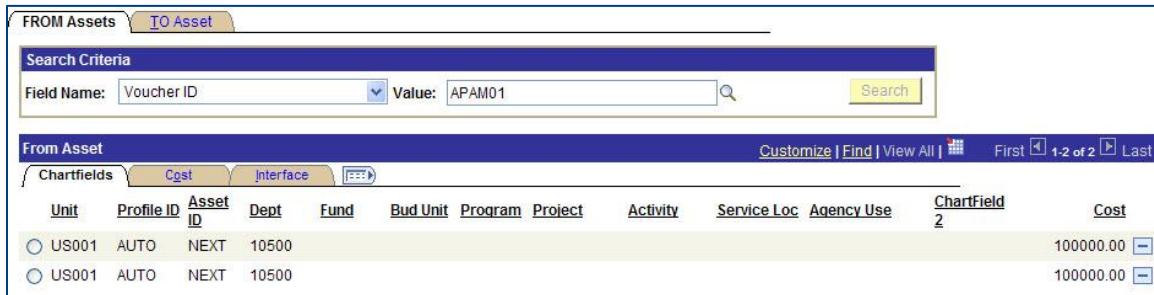
Topic 5: Processing Consolidation

- **Consolidate –** To combine two or more receipt lines into a single asset by selecting the transaction lines on the FROM Assets page. Best practice is to select the **'use one Asset ID'** option during the Receipt or the Voucher process, especially for split funded assets.
    - o Downside to using the "use one Asset ID" box is that the first voucher line funding is the only funding shown regardless of additional distributions.

Participant Notes:

Note: This will consolidate all lines with AM information; if you do NOT want to do that; need to adjust the cost on the back side after it has loaded and depreication has run.

- Enter the physical information for the single asset on the TO Asset page

- Process consolidation before running the Transaction Loader process, which creates assets in Asset Management

Page Name	Navigation
FROM Assets	Asset Management>Send/Receive Information>Load Transactions>Consolidate Assets>FROM Assets

Figure 42. FROM Assets Chartfields Tab

Participant Notes:

Figure 43. FROM Assets Cost Tab

Figure 44. FROM Assets Interface Tab

Page Name	Navigation
TO Asset	Asset Management>Send/Receive Information>Load Transactions>Consolidate Assets>TO Asset

Participant Notes:

Figure 45. TO Asset Top of Page (Consolidation)

Participant Notes:

Figure 46. TO Asset Bottom of Page (Consolidation)

Walkthrough/Activity

We will now complete Activity 13 - 14: Processing Consolidation in your Activity Guide.

Topic 6: Understanding the Transaction Loader Process

- The Transaction Loader Process reads data staged in the loader tables and populates Asset Management tables with new asset information

Lesson Review

In this lesson, you learned how to:
- Review asset information sent from Purchasing and Accounts Payable to Asset Management
- Review information sent from Project Costing to Asset Management

Additional Resources

The following are additional resources that provide more detail about the topic we have covered:

Participant Notes:

- SMART Glossary:
  http://www.da.ks.gov/smart/training/coursematerials/WBT/glossary.html
- Asset Management Business Process Flows:
  http://www.da.ks.gov/smart/training/coursematerials/

Participant Notes: